

City of Lowell

Flexible Spending Account Open Enrollment

April 6, 2016 – May 4, 2016

Deadline to Enroll is May 4, 2016

- **Debit Card**

When you sign up for the Health Care Account you will receive a debit card which contains the full amount you elected for the plan year and ready for use on July 1st. You may use your debit card to pay for eligible expenses as the point of sale: the pharmacy, doctor's office, dentist, eye wear retailer, etc. This will mean real time use of your money without having to submit receipts for reimbursement.

- **Roll Over**

Your plan includes the Roll Over Option. Remaining balances of up to \$500 will roll over into the subsequent plan year. The roll over will occur after the current plan run out of 90 days. You must enroll into the subsequent plan year to utilize funds that are rolled.

- **How To Enroll**

Current participants enroll online at www.cpa125.com. New participants complete the Authorization Form and return it to City Human Relations Office in Lowell by 4PM - 5/4/2016.

What is Flexible Spending?

Flexible Spending Account plans are a tremendous opportunity for you to enhance your benefits package. The City knows that these are highly beneficial programs and wants you to have the opportunity to participate in an IRS Section 125/Flexible Spending Account Plan administered by Cafeteria Plan Advisors, Inc. (CPA, Inc.) for the plan year of July 1, 2016 through June 30, 2017. Most employees pay for expenses such as dependent care and health care on an after tax basis. These programs allow you to set aside a portion of your paycheck tax free to pay for those expenses. The result is a reduction in your taxable income, which will give you an increase in your take home pay. Don't miss out on the opportunity to save between 28-34% in taxes.

Health Care Account

Employees may set aside up to **\$2550** per plan year to pay for out-of-pocket medical/dental expenses for themselves and their family members. Examples include:

- Copays for office visits and prescription drugs
- Deductible expenses
- Orthodontia and other dental expenses
- Contact Lenses, eye glasses, laser eye surgery
- Visits for Chiropractic Care or Acupuncture

Dependent Care Account

Employees can set aside up to **\$5000** per plan year to pay for out-of-pocket dependent care expenses for children under the age of 13 or elderly parents. This includes:

- Day Care
- Before School Care & After School Care
- Summer Day Camp
- Elder Care

Although you can claim dependent care expenses when you file your taxes, in most cases, people are able to save more money this way. Please consult your tax advisor. A Dependent Care Claim is required for reimbursements each plan year.

Additional Information about the plan

- Do not throw away your Benny Card. If you re-enroll next year, your card will reload with your new election amount.
- You must re-enroll each year, this plan does not automatically renew.
- You cannot change your elected amount during the plan year unless you have a qualifying event and notify CPA, Inc. within 30 days. If your employment ends, all expenses must be incurred on or prior to your termination date. You are then given 90 days to submit.

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